

Redefining Possible:

Students from Texas' Most Disadvantaged Neighborhoods Succeed at Public Charter Schools

For students growing up in poverty, there are always obstacles to learning – from food insecurity to housing instability.

In 2019, the Texas Legislature passed historic school finance legislation to help schools identify these children and provide them the support they need. House Bill 3 assigns every census block group a “tier” based on its level of economic need, then uses that data to allocate additional funding to public school students from the most disadvantaged neighborhoods in the Lone Star State.

Five years later, it's time to answer a crucial question. **Where are those dollars making an impact?**

To our knowledge, no one has used this data to analyze students' academic outcomes by their specific level of economic need – until now. We find that public charter schools are particularly effective at paving the way to future success for the state's highest-need students.

Key Takeaways



Compared to other public schools, Texas charter schools educate a higher rate of students from the most profoundly disadvantaged neighborhoods – both statewide (36% vs. 24%) and in almost every metropolitan area.



At public charter schools, the state's lowest-income students are more likely to pass STAAR assessments – as well as take, and succeed in, advanced courses. In fact, they pass rigorous Advanced Placement and International Baccalaureate exams at three times the rate of their peers.



When students with the greatest economic need attend public charter schools, they're more likely to be prepared for college, career, or the military (76% vs. 69%) and enroll in higher education (49% vs. 35%).

Texas leads the way on funding for the highest-need students.

Ideally, public school funding formulas direct resources to students with the most need. House Bill 3 made Texas a national leader in this area by adopting a sophisticated approach to account for economic disadvantage.

Traditionally, economic disadvantage in schools has been measured by eligibility for free or reduced-price lunch alone. This paints an incomplete picture. Students with a wide range of household incomes qualify for these programs – but a child facing deep poverty requires more support than someone living just below the poverty line.

House Bill 3 recognized these degrees of need for the first time. It provides additional funding to public schools for every student eligible for free or reduced-price lunch, but the amount increases along a sliding scale based on where the student lives. **Here's how that works:**

- For every census block group in the state, Texas calculates a composite score for economic need. The score reflects household income, but also metrics such as home ownership and adults' educational attainment – so it captures many potential challenges students might face.
- All block groups are ranked and placed in five tiers, with Tier 1 representing the top 20% for economic well-being (lowest need) and Tier 5 representing the bottom 20% (highest need).
- The home address of every student who qualifies for free or reduced-price lunch is mapped to their census block group. Texas then provides additional funding for these students on a sliding scale where each successive tier means an additional \$75. This means students who live in a Tier 5 neighborhood receive about \$300 more than those who live in a Tier 1 neighborhood.

Tier	Median Household Income	% Home Ownership	% Single Parent	Educational Attainment Score
Tier 1	\$114,358	89%	11%	70%
Tier 2	\$68,724	75%	19%	60%
Tier 3	\$52,944	64%	27%	54%
Tier 4	\$40,507	54%	37%	48%
Tier 5	\$28,705	37%	53%	42%

These funds go a long way toward providing support such as tutoring, access to technology, and counseling.

This system also gives us visibility into the true picture of economic disadvantage at every public school – a valuable tool for assessing student needs. Texas is among the first states in the country to adopt this kind of approach for all school districts.



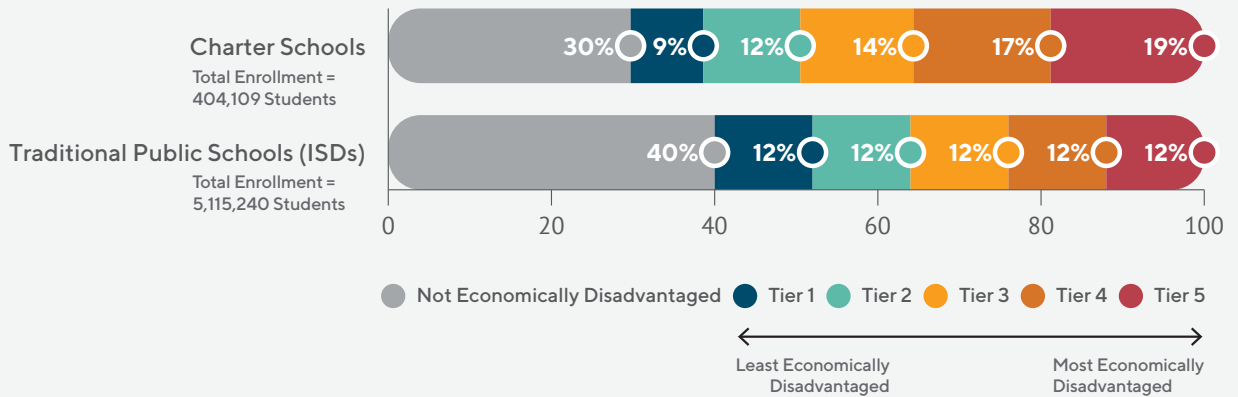
“One reason I’m so proud of House Bill 3 is that it helps Texas identify and support students with the greatest need while helping break the cycle of generational poverty.

Children growing up in poverty rely on public schools to help them realize their full potential and achieve security for themselves and their families. The more we do that, the more we can change the trajectory not only of the individual students, but also their families and communities.”

Dennis Bonnen, former Speaker of the Texas House

Charter schools serve more students from the highest-need neighborhoods.

Socioeconomic Census Block Tiers for Economically Disadvantaged Students: 2022-23

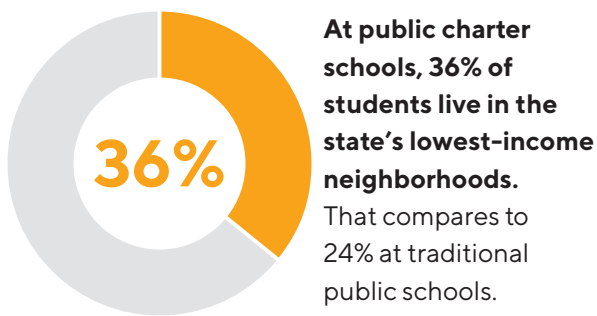


Texas public charter schools have long educated a higher percentage of economically disadvantaged students – according to the traditional definition – than other public schools statewide.

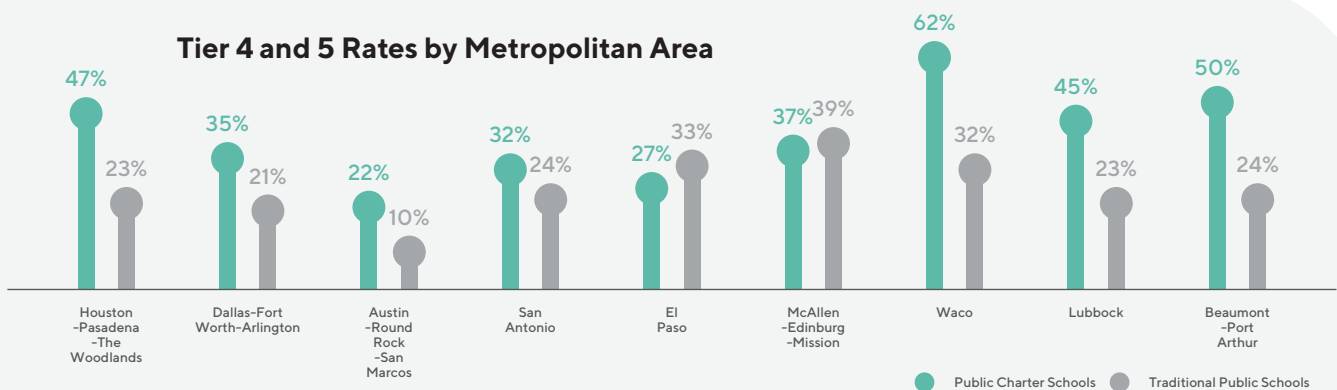
Until House Bill 3, however, there was no way to gauge the true level of poverty for those students. We now know that public charter schools also educate a larger share of students living in the most disadvantaged neighborhoods – those in Tier 4 and Tier 5.

You might wonder whether this difference results from the fact that public charter schools are disproportionately located in urban areas with higher poverty rates. But the data provides a different explanation. **The lowest-income families in Texas are simply more likely to choose public charter schools – many of which were created and designed to meet those families’ needs.**

Even within the same metropolitan areas, public charter schools nearly always enroll larger shares of the lowest-income students. This includes double-digit gaps in Houston, Dallas-Fort Worth, and Austin, as well as many smaller metro areas.



Tier 4 and 5 Rates by Metropolitan Area



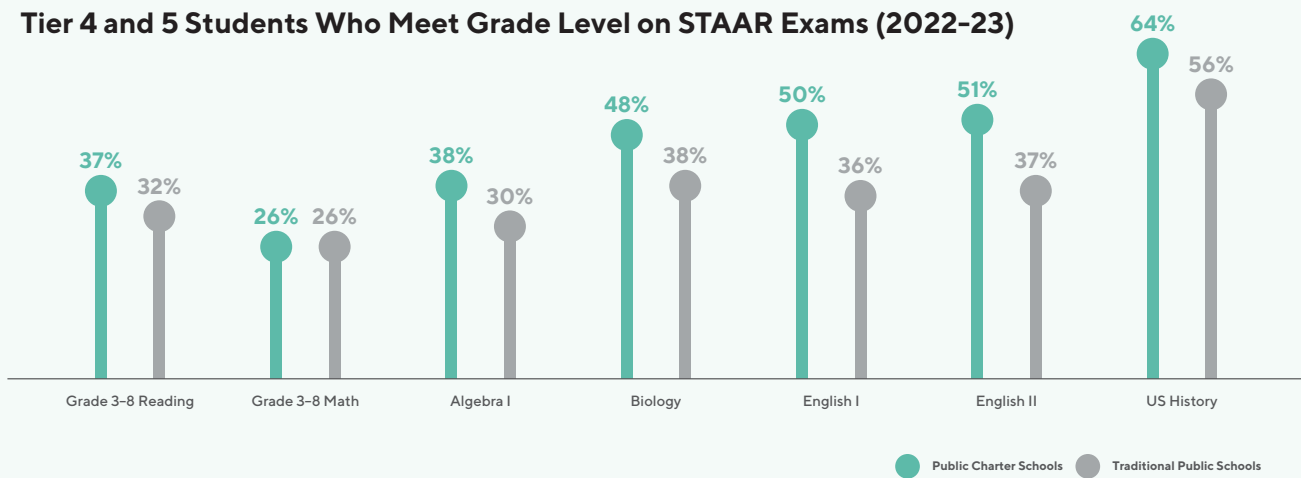
At charter schools, students from the highest-need neighborhoods thrive.

Across almost every grade level and subject, Tier 4 and 5 public charter school students are outperforming their peers at traditional public schools statewide. This is especially pronounced in high school end-of-course assessments, with double-digit gaps in Biology, English I, and English II.⁴

Strikingly, public charter school students from the most profoundly disadvantaged neighborhoods are completing advanced coursework at nearly double the rate of their peers at traditional public schools statewide (78% vs. 41%).

They're also *three times as likely* to pass rigorous Advanced Placement and International Baccalaureate exams (42% vs. 13%).¹

Tier 4 and 5 Students Who Meet Grade Level on STAAR Exams (2022-23)



3x

Public charter school students are three times as likely to pass Advanced Placement and International Baccalaureate exams.



“As lawmakers, it’s incumbent upon us to guarantee that every child in Texas, particularly those with the greatest needs, have access to a top-tier education. Public charter schools are instrumental in fulfilling that commitment.”

Texas Rep. Brad Buckley
House Public Education
Committee Chairman

Public charter schools open doors to success in advanced courses.

Advanced Placement (AP) and International Baccalaureate (IB) courses allow students to experience the rigor of college while still in high school. Passing AP and IB exams signifies excellent preparation for higher-level academics, in addition to allowing students to receive actual college credit – a time and money-saving head start on their postsecondary degrees.

Public charter schools are helping more of the state’s highest-need students not only access these courses, but succeed in them. The impact is dramatic. While around three-quarters of both public charter schools and traditional public high schools offer AP and IB courses, a significantly higher rate of public charter school students are succeeding on the exams.

There are 104 public charter high schools included in our analysis.² At 56 of them, the percentage of Tier 4 and 5 students who pass an AP or IB exam is **triple** the statewide average for traditional public schools (39% vs. 13%). That’s nearly as many as all other public high schools combined (63).

If we focus on non-selective schools, excluding magnet programs where enrollment criteria are applied, the difference is even clearer. **In fact, 41 of the top 50 non-selective public high schools in terms of AP and IB success are charter schools.**

HIGH SCHOOL TYPE	TOTAL HIGH SCHOOLS INCLUDED IN DATA	HIGH SCHOOLS WITH 3X THE STATE AVERAGE RATE OF AP/IB EXAM PASSAGE	PERCENTAGE OF HIGH SCHOOLS THAT TRIPLE THE STATE AVERAGE
Public Charter Schools	104	56	54%
Traditional Public Schools	686	63	9%

Harmony Science Academy - El Paso is proving there are no limits for students from the highest-need neighborhoods. More than 80% take advanced courses, for example, and 95% achieve college and career readiness – far surpassing statewide averages for *all* students.

HSA prepares and inspires students to truly excel in STEM. Nineteen students advanced to the finals of the Insights Regional Science and Engineering Fair,

for example, and racked up special awards from Microsoft, NASA, and U.S. Air Force – among many others.

The public charter school even shined on the global stage. Gwen R. represented the United States in the Vilnius International Project Olympiad, held in Lithuania, and took home a gold medal and the Best Project award for her study of climate change in the Upper Rio Grande Basin.

SCHOOL SPOTLIGHT

Harmony Science Academy - El Paso



Charter schools redefine possible for students facing serious challenges.

Ultimately, preparing students for the future — success in college, career, and the rest of their lives — is what truly matters. Once again, the data shows that Texas public charter schools shine.

Graduates from Texas public charter schools are more likely than their peers statewide to graduate prepared for college, career, or the military. This holds true for both standard³ and dropout recovery high schools.⁴

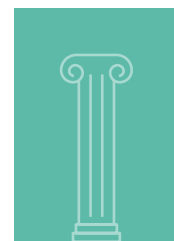
Public charter schools are also opening the door to college for more of the highest-need students. Statewide, about 48% of all high school graduates enroll in a postsecondary degree program at an institute of higher education. For students in the most profoundly disadvantaged neighborhoods (Tiers 4 and 5), that rate is only 35%.

However, at Texas public charter schools, students in the most profoundly disadvantaged neighborhoods are enrolling in college 49% of the time — exceeding the overall statewide performance for *all* students.⁴

Graduates Enrolled in Higher Education (2022–23)

Students from Tier 4 and 5 Neighborhoods

49%



Public Charter Schools

35%



Traditional Public Schools

SCHOOL SPOTLIGHT

Cedars Academy
Next Generation High
School in Austin



At Cedars, 64% of graduates from Tier 4 and Tier 5 neighborhoods enroll in higher education — nearly double the statewide average. That’s partly driven by personal, one-on-one college counseling that includes support on filling out the FAFSA and submitting applications. But it goes deeper.

Every year, students complete 40 projects that require them to think critically across subjects, make

real-world connections, and present their work. (There’s even a “store” on campus where they can acquire formal clothes for \$1 if they need them.)

Students are evaluated using a rubric that includes agency and self-advocacy, skills that alumni describe as crucial for college success. “They can argue a point with meaning,” says Dr. Leslie Sparacello, the superintendent. “And they can do it with flair.”

Questions? Contact research@txcharterschools.org

Endnotes

1. TEA Public Information Request: TAPR 2022-23 Data disaggregated for Tier 4 and 5 students in standard accountability schools
2. TEA Public Information Request: TAPR 2022-23 Data disaggregated for Tier 4 and 5 students in standard accountability schools. Note: Around 25% of both public charter schools and traditional public schools offering AP/IB were masked due to small counts of participating students.
3. TEA Public Information Request: TAPR 2022-23 Data disaggregated for Tier 4 and 5 students in standard accountability schools
4. TEA Public Information Request: TAPR 2022-23 Data disaggregated for Tier 4 and 5 students in alternative accountability schools

